Building the Collaboration Necessary to Support Regional Rural Innovation

Presented to the

2006 USDA Agricultural Outlook Forum:

Prospering in Rural America

Arlington, VA

February 17, 2006

Charles W. Fluharty, Director Rural Policy Research Institute http://www.rupri.org



Addressing Secretary Johanns' Challenge:

"Toward a Regional Rural Innovation Policy . . ."



Policies are ultimately about visions and values.

So several questions should frame our approach to this issue:



- What are the principal policy goals of rural initiatives and farm programs?
- Who are the constituencies of each, and how are they benefited by public investments?
- Since almost all producers are rural people, why have these programs historically been viewed as inherently competitive or contradictory?



A Word About Current Rural Conditions and Trends:

- If you live in a rural area, you know!
- Comments:
 - The past is prologue.
 - Trend lines are clear.
 - Tinkering around the edges is not the answer!



"If you do the same things,

over

and

over,

you'll probably get the same outcomes!"



Four Key Questions for Rural Policy Change:

- 1. Why should America care?
- 2. Can a meta-policy shift occur?
- 3. What are the key elements in such a shift?
- 4. Where are the current and future opportunities for such an approach?



Why Should America Care?

- Structural challenges in rural community and economic development capacity:
 - Current federal policy
 - Foundation grantmaking
 - Corporate grantmaking



A New Policy: Regional Rural Innovation

- Economic regions will drive global competitiveness determinations.
- Competitiveness will be based on unique regional assets.
- Innovation and entrepreneurship, both public and private, are keys in leveraging these assets to capture competitive advantage.

Three questions will determine the future:

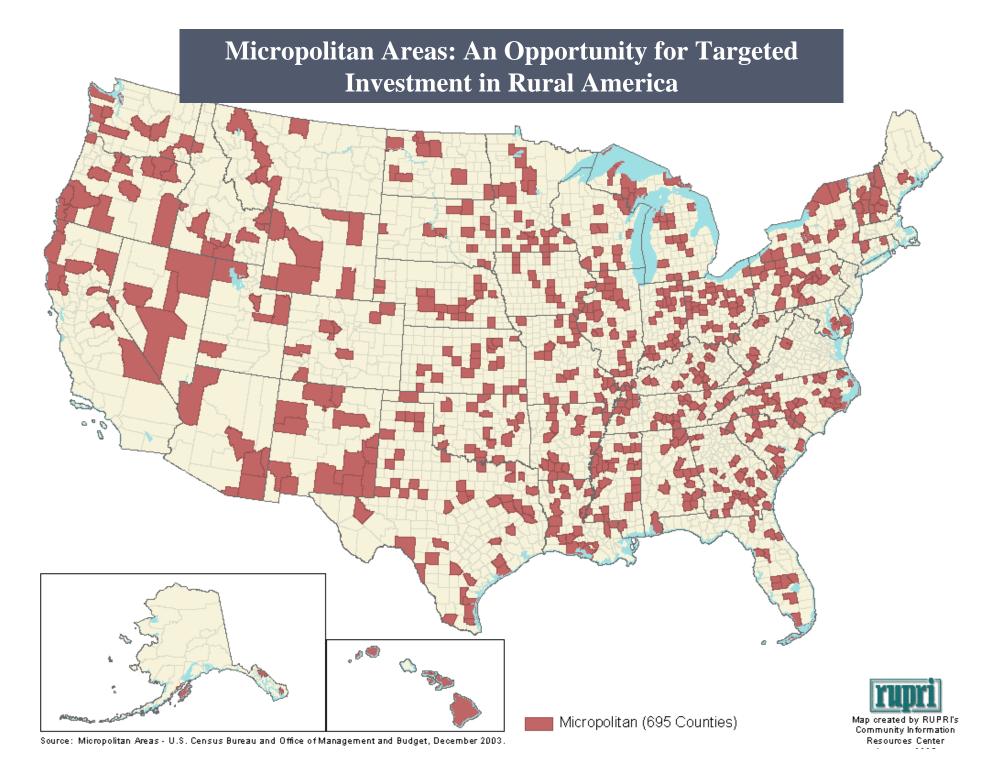
- Will public sector champion(s) step up?
- Will institutional innovator(s) accept the challenge of building new intermediary structures?
- Can a constituency for change be built, to support these public risk-takers?



The New Goal: Capturing regional competitive advantage

- Leveraging unique assets: the rural "addedvalue"
- Regional "Declarations of Interdependence" – met/nonmet connections
- Innovation / entrepreneurship / collaboration / new governance
- Summing to local regional competitiveness





The Appropriate Policy Question:

"What policy framework will best integrate rural initiatives and farm programs, to advantage producers, their rural communities and regions, and their childrens' opportunities to thrive there in the 21st Century?"



A new rural policy should:

- Acknowledge current ag policy has many goals, but has failed to adequately assure broad-based rural economic growth
- Build innovative new regional approaches for global competition
- Support necessary institutional innovation
- Assist in easing current agricultural trade conflicts

